

Manufacturers' Shipments, Inventories, and Orders

October 1974



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SUMMARY

New orders for manufactured products in October decreased \$765 million or 0.9 percent to \$86.38 billion after seasonal adjustment. Shipments increased \$2.02 billion or 2.3 percent to \$87.96 billion in October. Unfilled orders decreased \$1.57 billion or 1.1 percent to \$138.89 billion at the end of October. Manufacturers' inventories increased \$2.11 billion or 1.5 percent to \$145.08 billion at the end of October. The inventories to shipments ratio decreased from 1.66 to 1.65.

For the 3 months ending in October, the average change in new orders decreased 0.4 percent compared with a 2.2 percent increase for the 3 months ending in July and a 1.7 percent increase for the 3 months ending in April.

NEW ORDERS

New orders for durable goods decreased \$1.06 billion or 2.3 percent to \$45.34 billion in October. This decrease was primarily attributed to decreases in the aerospace industry (\$495 million), fabricated metal products (\$360 million), and primary metals (\$235 million).

SHIPMENTS

Shipments of durable goods increased \$1.66 billion or 3.7 percent to \$46.68 billion in October as primary metals increased \$595 million and nonelectrical machinery increased \$490 million. Shipments of nondurable goods increased \$355 million or 0.9 percent to \$41.28 billion with the foods industry increasing \$235 million.

UNFILLED ORDERS

Unfilled orders for durable goods decreased \$1.34 billion or 1.0 percent at the end of October.

These decreases were led by primary metals (\$630 million) and nonelectrical machinery (\$355 million).

INVENTORIES

Inventories of durable goods increased \$1.45 billion and nondurable goods increased \$655 million between the end of October and September. At the all manufacturing level, materials and supplies increased \$855 million, work in process increased \$385 million, and finished goods increased \$870 million.

The final September figures (revised) for all manufactured products (both durable goods and nondurable goods), seasonally adjusted, show shipments at \$85,937 million; new orders at \$87,147 million; unfilled orders at \$140,467 million; and total inventories at \$142,975 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for November is scheduled for release on December 20, 1974 and the full report is scheduled for release on January 2, 1975.

This report contains data on an unadjusted and seasonally adjusted basis. However, the data are not adjusted for price changes. For an explanation of terms used in this report see appendix following table 5.



U.S. DEPARTMENT OF COMMERCE | Social and Economic Statistics Administration | BUREAU OF THE CENSUS

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington, D.C. 20233. For sale by the Subscriber Services Section (Publications), Social and Economic Statistics Administration, Washington, D.C. 20233 or any Department of Commerce District Office. Price: 15 cents per copy—\$1.50 per year.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Shipments						Total inventories					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Oct. 1974 ^b	Sept. 1974 ^r	Aug. 1974	Oct. 1974 ^b	Sept. 1974 ^r	Oct. 1973	Oct. 1974 ^b	Sept. 1974 ^r	Aug. 1974	Oct. 1974 ^b	Sept. 1974 ^r	Oct. 1973
All manufacturing industries:												
Total.....	87,956	85,937	85,760	89,749	88,949	76,404	145,083	142,975	139,727	144,141	141,638	116,496
Total, excluding transportation.....	77,354	75,613	75,648	78,763	78,750	65,923	124,637	122,786	120,186	123,565	121,385	98,627
Durable goods industries, total.	46,679	45,016	44,825	47,294	46,329	41,608	94,638	93,184	91,004	93,925	92,512	76,399
Stone, clay, and glass products.	2,422	2,338	2,311	2,574	2,501	2,314	3,635	3,552	3,458	3,471	3,435	2,599
Primary metals, total.....	9,008	8,415	8,474	8,451	8,251	6,345	11,124	10,940	10,703	11,075	10,811	9,185
Blast furnaces, steel mills.	4,990	4,448	4,420	4,406	4,216	3,054	5,162	5,073	4,908	5,167	5,002	4,681
Nonferrous metals.....	2,804	2,808	2,891	2,787	2,853	2,355	4,257	4,211	4,178	4,236	4,182	3,358
All other primary metals....	1,214	1,159	1,163	1,258	1,182	936	1,705	1,656	1,617	1,672	1,627	1,146
Fabricated metal products total.....	5,532	5,277	5,358	5,725	5,652	4,811	10,898	10,705	10,409	10,775	10,690	8,418
Metal cans, barrels, and drums.....	614	601	628	597	651	476	1,004	915	927	955	903	686
Machinery, except electrical, total.....	7,844	7,356	7,326	7,727	7,612	6,237	20,614	20,237	19,774	20,414	19,959	16,012
Engines and turbines.....	637	591	542	549	640	492	1,829	1,827	1,759	1,857	1,787	1,400
Farm machinery and equipment.	792	734	721	887	780	560	1,789	1,773	1,703	1,687	1,713	1,266
Construction, mining, and material handling equipment.	1,656	1,475	1,422	1,570	1,531	1,225	4,099	4,010	3,900	4,001	3,926	3,086
Metalworking machinery.....	545	527	525	541	553	351	1,777	1,732	1,713	1,789	1,727	1,395
General industrial machinery.	758	710	656	767	730	582	1,783	1,738	1,715	1,748	1,710	1,348
Electrical machinery, total...	5,543	5,644	5,554	5,798	6,005	5,642	14,519	14,299	14,169	14,426	14,238	12,025
Electrical transmission and distribution equipment and industrial apparatus.....	1,144	1,165	1,159	1,150	1,214	1,003	3,172	3,125	3,112	3,139	3,096	2,624
Household appliances.....	756	831	782	769	871	700	1,339	1,312	1,315	1,308	1,281	1,145
Radio and TV.....	483	420	425	565	524	613	1,272	1,268	1,217	1,274	1,278	1,052
Communication equipment....	1,243	1,197	1,145	1,268	1,217	1,161	4,173	4,067	4,031	4,152	4,063	3,413
Transportation equipment, total	10,602	10,324	10,112	10,986	10,199	10,481	20,446	20,189	19,541	20,576	20,253	17,869
Motor vehicles and parts....	7,446	7,078	7,141	7,855	6,921	7,314	6,300	6,263	5,674	6,369	6,382	5,450
Aircraft, missiles, and parts.....	2,068	2,184	1,856	2,071	2,162	1,972	10,941	10,748	10,702	10,941	10,728	9,740
Shipbuilding and railroad equipment.....	513	474	483	496	484	397	2,310	2,277	2,279	2,410	2,284	1,908
Instruments and related products, total.....	1,408	1,337	1,361	1,470	1,456	1,302	4,201	4,177	4,021	4,160	4,142	3,053
Scientific and engineering..	708	679	683	728	719	620	2,084	2,045	2,002	2,065	2,026	1,693
All other instruments and related products.....	700	658	678	742	737	682	2,117	2,132	2,019	2,095	2,116	1,360
All other durable goods industries.....	4,320	4,325	4,329	4,563	4,653	4,476	9,201	9,085	8,909	9,028	8,984	7,238
Nondurable goods industries, total.....	41,277	40,921	40,935	42,455	42,620	34,796	50,445	49,791	48,723	50,216	49,126	40,097
Food and kindred products, total.....	13,730	13,497	13,578	14,229	14,287	12,187	11,854	11,812	11,738	12,232	11,685	10,509
Meat products.....	2,681	2,742	2,773	2,853	2,772	2,897	1,177	1,225	1,304	1,174	1,162	1,112
Fats and oils.....	1,234	1,299	1,271	1,228	1,300	814	950	978	957	943	819	625
Tobacco products.....	638	563	603	636	583	534	2,775	2,726	2,709	2,747	2,609	2,401
Textile mill products.....	2,668	2,796	2,801	2,904	2,941	2,758	5,033	5,131	5,074	4,875	5,031	4,269
Paper and allied products, total.....	3,506	3,484	3,521	3,575	3,577	2,863	4,527	4,350	4,189	4,477	4,288	3,057
Pulp, paper, etc.....	1,593	1,530	1,549	1,616	1,536	1,219	1,551	1,492	1,479	1,551	1,469	1,048
Paperboard containers.....	877	871	914	914	902	780	1,250	1,218	1,187	1,243	1,216	909
All other paper containers..	1,036	1,083	1,058	1,045	1,139	864	1,726	1,640	1,523	1,683	1,603	1,100
Chemicals and allied products, total.....	7,330	7,346	7,235	7,249	7,556	5,643	9,869	9,444	9,011	9,650	9,255	7,027
Industrial chemicals, except pigments.....	2,419	2,484	2,405	2,378	2,521	1,606	2,691	2,544	2,437	2,667	2,513	1,975
Drugs, soap, and toiletries.	1,739	1,720	1,613	1,862	1,936	1,693	3,311	3,201	3,024	3,215	3,137	2,347
Petroleum and coal products...	5,046	5,036	5,112	4,984	5,056	3,135	3,849	3,924	3,820	3,947	3,962	2,536
Rubber and plastics products, n.e.c.....	2,076	2,078	2,028	2,147	2,124	1,809	3,163	3,141	3,039	3,108	3,080	2,532
All other nondurable goods industries.....	6,283	6,121	6,057	6,731	6,496	5,867	9,375	9,263	9,143	9,180	9,216	7,766

See footnotes at end of table.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP--Continued

(Millions of dollars)

Industry group	New orders						Unfilled orders					
	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment ¹		
	Oct. 1974 ^P	Sept. 1974 ^F	Aug. 1974	Oct. 1974 ^P	Sept. 1974 ^F	Oct. 1973	Oct. 1974 ^P	Sept. 1974 ^F	Aug. 1974	Oct. 1974 ^P	Sept. 1974 ^F	Oct. 1973
All manufacturing industries:												
Total.....	86,382	87,147	90,393	87,931	89,802	78,661	138,894	140,467	139,256	136,791	138,614	108,861
Total, excluding transportation.....	76,177	76,524	78,627	77,497	79,259	67,688	104,571	105,746	104,835	102,419	103,687	79,712
Durable goods industries, total.	45,344	46,402	49,463	45,689	47,429	43,829	134,359	135,695	134,305	132,325	133,935	104,221
Primary metals, total.....	8,376	8,611	10,010	7,913	8,271	6,505	19,007	19,636	19,438	17,068	17,607	13,359
Blast furnaces, steel mills.	4,399	4,414	5,777	3,924	4,162	2,947	11,911	12,501	12,535	10,231	10,714	8,855
Nonferrous metals.....	2,663	2,960	2,918	2,654	2,849	2,495	3,554	3,694	3,541	3,369	3,502	2,588
Fabricated metal products.....	5,513	5,871	5,784	5,597	6,298	5,233	20,245	20,264	19,669	20,196	20,323	14,311
Machinery, except electrical, total.....	8,137	8,120	8,232	8,115	8,140	7,126	30,225	29,933	29,169	30,008	29,621	20,480
Engines and turbines.....	690	618	726	624	658	653	7,045	6,994	6,967	7,042	6,967	5,393
Construction, mining, and material handling equipment.	1,717	1,677	1,779	1,652	1,689	1,449	7,308	7,248	7,046	7,279	7,197	4,034
Metalworking machinery.....	558	581	568	552	633	487	2,629	2,616	2,563	2,671	2,661	1,957
General industrial machinery.	909	930	797	883	875	673	3,566	3,414	3,194	3,448	3,332	2,171
Electrical machinery, total...	5,187	5,149	5,547	5,296	5,674	5,933	21,637	21,993	22,489	21,841	22,344	19,486
Electrical transmission and distribution equipment and industrial apparatus.....	1,015	1,218	1,307	1,062	1,188	1,129	6,827	6,955	6,902	6,821	6,910	5,264
Household appliances.....	734	840	767	749	877	688	128	150	141	130	150	132
Radio and TV.....	476	343	459	538	462	596	568	575	653	602	629	724
Communication equipment.....	1,205	1,008	1,233	1,230	1,256	1,173	6,981	7,020	7,209	7,203	7,241	6,473
Transportation equipment, total.....	10,205	10,623	11,766	10,434	10,543	10,973	34,323	34,721	34,421	34,372	34,927	29,149
Aircraft, missiles, and parts.....	2,232	2,729	3,509	2,072	2,651	2,319	20,585	20,422	19,875	20,703	20,704	18,474
Shipbuilding and railroad equipment.....	333	297	383	261	419	493	8,612	8,792	8,970	8,590	8,827	6,374
All other durable goods industries.....	7,926	8,028	8,124	8,334	8,503	8,059	8,922	9,148	9,119	8,840	9,113	7,436
Nondurable goods industries, total.....	41,038	40,745	40,930	42,242	42,373	34,832	4,535	4,772	4,951	4,466	4,679	4,640
Industries with unfilled orders.....	9,368	9,437	9,592	9,870	9,714	8,917	4,535	4,772	4,951	4,466	4,679	4,640
Industries without unfilled orders.....	31,670	31,308	31,338	32,372	32,659	25,915	-	-	-	-	-	-

- Represents zero. ^P Preliminary. ^R Revised.
¹ Adjusted for trading-day and calendar-month variations.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Oct. 1974 ^b	Sept. 1974 [†]	Aug. 1974	Oct. 1974 ^b	Sept. 1974 [†]	Oct. 1973	Oct. 1974 ^b	Sept. 1974 [†]	Aug. 1974	Oct. 1974 ^b	Sept. 1974 [†]	Oct. 1973
	Shipments						Total inventories					
All manufacturing industries, total..	87,956	85,937	85,760	89,749	88,949	76,404	145,083	142,975	139,727	144,141	141,638	116,496
Durable goods industries, total.....	46,679	45,016	44,825	47,294	46,329	41,608	94,638	93,184	91,004	93,925	92,512	76,399
Nondurable goods industries, total.....	41,277	40,921	40,935	42,455	42,620	34,796	50,445	49,791	48,723	50,216	49,126	40,097
Industry groups arranged by market categories:												
Home goods and apparel.....	7,573	7,429	7,327	8,230	8,112	7,491	14,946	14,839	14,628	14,539	14,631	12,784
Consumer staples.....	16,503	16,072	16,105	17,229	17,122	15,128	18,671	18,380	18,098	18,902	18,228	15,867
Equipment and defense products, except automotive.....	11,454	10,991	10,601	11,406	11,307	9,484	36,983	36,234	35,717	36,765	35,870	30,132
Automotive equipment.....	8,660	8,299	8,406	9,099	8,222	8,706	8,192	8,171	7,549	8,197	8,221	7,024
Construction materials, supplies, and intermediate products.....	6,644	6,503	6,591	6,951	6,977	6,394	12,699	12,754	12,453	12,462	12,566	9,584
Other materials and supplies and intermediate products.....	37,122	36,643	36,730	36,834	37,209	29,201	53,592	52,597	51,282	53,276	52,122	41,105
Supplementary series: ²												
Household durable goods industries.....	3,354	3,287	3,200	3,616	3,617	3,415	7,536	7,368	7,217	7,367	7,286	6,069
Capital goods industries.....	12,961	12,648	12,205	12,845	13,033	11,346	41,415	40,675	40,189	41,321	40,379	34,123
Nondefense.....	11,301	11,010	10,708	11,203	11,337	9,729	34,936	34,298	33,758	34,806	34,018	28,558
Defense.....	1,660	1,638	1,497	1,642	1,696	1,617	6,479	6,377	6,431	6,515	6,361	5,565
	New orders						Unfilled orders					
All manufacturing industries, total..	86,382	87,147	90,393	87,931	89,802	78,661	138,894	140,467	139,256	136,791	138,614	108,861
Durable goods industries, total.....	45,344	46,402	49,463	45,669	47,429	43,829	134,359	135,695	134,305	132,325	133,935	104,221
Nondurable goods industries, total.....	41,038	40,745	40,930	42,242	42,373	34,832	4,535	4,772	4,951	4,466	4,679	4,640
Industry groups arranged by market categories:												
Home goods and apparel.....	7,540	7,263	7,250	8,103	7,906	7,456	2,687	2,722	2,878	2,719	2,831	2,927
Consumer staples.....	16,501	16,085	16,101	17,244	17,140	15,154						
Equipment and defense products, except automotive.....	11,409	12,025	13,066	11,308	12,342	10,487	67,285	67,712	66,747	67,325	67,742	52,778
Automotive equipment.....	8,279	8,230	8,507	8,783	8,142	8,755						
Construction materials, supplies, and intermediate products.....	6,585	6,952	6,960	6,811	7,526	6,854	18,041	18,101	17,650	18,050	18,190	13,325
Other materials and supplies and intermediate products.....	36,068	36,592	38,509	35,682	36,746	29,955	50,881	51,932	51,981	48,697	49,851	39,831
Supplementary series: ²												
Household durable goods industries.....	3,316	3,128	3,133	3,493	3,430	3,392	2,061	2,100	2,261	2,103	2,226	2,331
Capital goods industries.....	12,830	13,510	15,034	12,732	13,887	12,809	75,168	75,302	74,439	75,294	75,411	58,988
Nondefense.....	11,479	11,832	11,805	11,294	11,906	10,893	51,498	51,323	50,498	51,265	51,178	38,578
Defense.....	1,351	1,678	3,229	1,438	1,981	1,916	23,670	23,979	23,941	24,029	24,233	20,410

^aDuring 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in the defense series. ^bPreliminary. [†]Revised. ¹Shipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. ²The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.
Capital goods industries - The capital goods industries series is comparable to the previous Producers' Capital Goods and the Defense Products (old series) categories.
Nondefense products - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances and electronic components), and the nondefense portions of shipbuilding and repairing and railroad equipment, communication equipment, aircraft and aircraft parts, and ordnance.
Defense products - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, aircraft and aircraft parts, and shipbuilding. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1968-73	
	Sept.- Oct. 1974	Aug.- Sept. 1974	July- Aug. 1974	3 months			12 months Oct. 1973- Oct. 1974	Average rise	Average decline
				July- Oct. 1974	Apr.- July 1974	Jan.- Apr. 1974			
Shipments:									
All manufacturing industries.....	+2.3	+0.2	+2.1	+1.5	+2.1	+1.2	+1.4	+1.3	-1.0
Durable goods industries, total.....	+3.7	+0.4	+1.6	+1.9	+2.3	+1.0	+1.1	+1.8	-1.5
Nondurable goods industries, total....	+0.9	-	+2.6	+1.2	+1.7	+1.3	+1.8	+1.1	-0.8
Total inventories:									
All manufacturing industries.....	+1.5	+2.3	+2.2	+2.0	+2.1	+1.5	+1.8	+0.6	-0.1
New orders:									
All manufacturing industries.....	-0.9	-3.6	+3.3	-0.4	+2.2	+1.7	+1.0	+1.7	-1.4
Durable goods industries, total.....	-2.3	-6.2	+3.7	-1.6	+2.7	+2.1	+0.5	+2.5	-2.1
Nondurable goods industries, total....	+0.7	-0.5	+2.8	+1.0	+1.7	+1.2	+1.7	+1.1	-0.8
Unfilled orders:									
Durable goods industries, total.....	+1.0	+1.0	+3.6	+1.9	+3.2	+1.9	+2.2	+1.3	-1.0

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Oct. 1974 ^p	Sept. 1974 ^r	Aug. 1974	Oct. 1974 ^p	Sept. 1974 ^r	Oct. 1973	Oct. 1974 ^p	Sept. 1974 ^r	Aug. 1974	Oct. 1974 ^p	Sept. 1974 ^r	Oct. 1973
	Total						Materials and supplies					
All manufacturing industries, total..	145,083	142,975	139,727	144,141	141,638	116,496	52,182	51,328	50,039	52,130	51,210	38,679
Durable goods industries, total.....	94,638	93,184	91,004	93,925	92,512	76,399	31,861	31,102	30,416	32,010	31,414	23,200
Stone, clay, and glass products.....	3,635	3,552	3,458	3,471	3,435	2,599	1,369	1,336	1,355	1,359	1,337	932
Primary metals.....	11,124	10,940	10,703	11,075	10,811	9,185	5,001	4,899	4,900	5,144	5,008	3,493
Machinery (electrical and nonelectrical).	35,133	34,536	33,963	34,840	34,197	28,037	11,063	10,691	10,376	10,939	10,595	7,844
Transportation equipment.....	20,446	20,189	19,541	20,576	20,253	17,869	4,509	4,555	4,363	4,610	4,669	3,704
All other durable goods industries.....	24,300	23,967	23,339	23,963	23,816	18,709	9,919	9,621	9,422	9,958	9,805	7,227
Nondurable goods industries, total.....	50,445	49,791	48,723	50,216	49,126	40,097	20,321	20,226	19,623	20,120	19,796	15,479
Chemicals and allied products.....	9,869	9,444	9,011	9,650	9,255	7,027	4,276	4,176	3,886	4,216	4,129	2,646
Petroleum and coal products.....	3,849	3,924	3,820	3,947	3,962	2,536	930	1,000	904	922	981	537
Rubber and plastics products, n.e.c.....	3,163	3,141	3,039	3,108	3,080	2,532	1,247	1,239	1,231	1,240	1,245	915
All other nondurable goods industries....	33,564	33,282	32,853	33,511	32,829	28,002	13,868	13,811	13,602	13,742	13,441	11,381
	Work in process						Finished goods					
All manufacturing industries, total..	48,620	48,236	47,594	48,520	48,038	41,356	44,281	43,411	42,094	43,491	42,390	36,461
Durable goods industries, total.....	40,787	40,488	39,913	40,713	40,314	35,039	21,990	21,594	20,675	21,202	20,784	18,160
Stone, clay, and glass products.....	459	454	435	425	437	361	1,807	1,762	1,668	1,687	1,661	1,306
Primary metals.....	3,645	3,665	3,614	3,569	3,565	3,401	2,478	2,376	2,189	2,362	2,238	2,291
Machinery (electrical and nonelectrical).	15,513	15,482	15,516	15,513	15,444	12,986	8,557	8,363	8,071	8,388	8,158	7,207
Transportation equipment.....	14,286	13,986	13,580	14,333	13,986	12,616	1,651	1,648	1,598	1,633	1,598	1,549
All other durable goods industries.....	6,884	6,901	6,768	6,873	6,882	5,675	7,497	7,445	7,149	7,132	7,129	5,807
Nondurable goods industries, total.....	7,833	7,748	7,681	7,807	7,724	6,317	22,291	21,817	21,419	22,289	21,606	18,301
Chemicals and allied products.....	1,516	1,452	1,427	1,488	1,428	1,107	4,077	3,816	3,698	3,946	3,698	3,274
Petroleum and coal products.....	1,046	1,023	1,043	1,067	1,034	545	1,873	1,901	1,873	1,958	1,947	1,454
Rubber and plastics products, n.e.c.....	527	530	510	524	527	419	1,389	1,372	1,298	1,344	1,308	1,198
All other nondurable goods industries....	4,744	4,743	4,701	4,728	4,735	4,246	14,952	14,728	14,550	15,041	14,653	12,375

^pPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Oct. 1974 ^P	Sept. 1974 ^T	Aug. 1974	Oct. 1973	Oct. 1974 ^P	Sept. 1974 ^T	Aug. 1974	Oct. 1973
All manufacturing industries, total.....	1.65	1.66	1.63	1.57	2.76	2.87	2.87	2.53
Durable goods industries, total.....	2.03	2.07	2.03	1.88	3.31	3.45	3.44	3.00
Stone, clay, and glass products.....	1.50	1.52	1.50	1.25	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.23	1.30	1.26	1.37	2.11	2.33	2.29	2.23
Fabricated metals.....	1.97	2.03	1.94	1.83	4.12	4.33	4.16	3.45
Machinery, except electrical.....	2.63	2.75	2.70	2.54	3.85	4.07	3.98	3.25
Electrical machinery.....	2.62	2.53	2.55	2.25	3.90	3.90	4.05	3.59
Transportation equipment.....	1.93	1.96	1.93	1.76	6.35	6.38	6.58	5.51
Instruments and related products.....	2.98	3.12	2.95	2.48	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.22	1.22	1.19	1.19	0.47	0.50	0.52	0.56
Food and kindred products.....	0.86	0.88	0.86	0.87	(X)	(X)	(X)	(X)
Tobacco products.....	4.35	4.84	4.49	4.52	(X)	(X)	(X)	(X)
Textile mill products.....	1.89	1.84	1.81	1.74	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.29	1.25	1.19	1.10	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.35	1.29	1.25	1.26	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.76	0.78	0.75	0.78	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.52	1.51	1.50	1.47	(X)	(X)	(X)	(X)

(NA) Not available. ^PPreliminary. ^TRevised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and non-durable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

